



**DEFENSE LOGISTICS AGENCY**  
**DEFENSE ENERGY SUPPORT CENTER**  
8725 JOHN J. KINGMAN ROAD, SUITE 4950  
FORT BELVOIR, VIRGINIA 22060-6222

IN REPLY  
REFER TO

DESC-CPA

AUG 28 2003

**CONTRACTING INSTRUCTION (CI) 02-06A**  
**MEMORANDUM FOR CI Distribution**

**SUBJECT: DEPI 4.804, Closeout of Contract Files**

This CI is issued as a direct result of the recommendations made during a DESC internal audit of contract closeout. As a result of the findings, each CBU is to ensure their contract specialists and procurement technicians are advised of the changes herewith.

First, this coverage adds the requirement of completing the DD 1597, Contract closeout checklist to the contract file before sending inactive files to long-term storage. This process was added to ensure that the required elements of contract closeout in FAR 4.804-1 are not overlooked in the effort to store contract files in long-term storage. Therefore, the responsible official overseeing completion of the contract administration process determines that a contract is closed and ready for inactive storage and ultimate long-term storage at the Washington National Records Center, in Suitland, Maryland

Secondly, this CI reinforces current policy at DEPI 4.804-1(103)(d) in "Bold" print to reinforce the coverage on the physical contract files and the requirement to remove non-paper items from the paper file. Additionally, please refer to DLA 5015.1, Records Management Procedures and Records Schedule when handling electronic records (disc) removed from inactive contract files.

This instruction is effective immediately and will expire upon inclusion in the DEPI.

Point of Contact is Ms. Jannet Gray at (703) 767-2399 or DSN 427-2399.

GABRIELLA M. EARHARDT  
Center Senior Procurement Official

Attachment:  
DEPI Coverage



#### **4.804 Closeout of contract files.**

##### **4.804-1 Closeout by the office administering the contract.**

**(101) Starting contract closeout:** Contract closeout shall begin upon receipt of evidence by the CO that the final delivery is completed and accepted. Confirm with the contractor, in writing or electronically, that final payment has been received. Additionally, verify that final payment has been made using a government source. This can be done using a DFAMS query locally or by asking DFAS to provide a payment history. During this effort, the voucher/invoice number and date needs to be gathered from the contractor or DFAS. Confirm with DESC-G that there are no outstanding legal issues. For FOB Origin contracts, verify that there are no outstanding claims for transportation costs, including demurrage and dead-freight claims. File all responses in the contract file. If responses or verifications are delayed, (DFAS cannot confirm final payment) this does not prevent the inactive files from being retired. Maintain the late responses in an office file until destruction. For a complete list of closeout procedures see FAR 4.804-5. DD Form 1594 Contract Completion Statement shall be used to document the closed contract. A copy of the completed DD Form 1594 shall be forwarded to the payment office for their records. If there are no legal or payment issues preventing the files to be sent to WNRC, prepare a SF 135 for file retirement.

**(102) Contract closeout check list: Ensure that all required procurement actions and contract closeout actions have been completed by utilizing DD Form 1597. Contract Closeout Check List. Prepare DD Form 1597 by completing only the applicable action items. Annotate non-applicable action items by N/A in block 7.**

**(103) Files for contracts that are physically complete:** Files for contracts that are physically complete (final delivery is made) and close out efforts are underway, shall be prepared for long term records storage at the Washington National Records Center (WNRC) in accordance with **DLAI 5015.1, DLA Records Management Procedures and Records Schedule**. Preparation for storage must include the following clerical and administrative tasks to support the requirements for file contents (See DEPI 4.803, Contents of contract files) and general environment recycling program guidelines. (For example paper files will contain only paper, discs (i.e. floppy, 3 1/2" floppy or compact) are stored in other than paper files)

(a) Labels are secured to the file folder. If needed, staple or scotch tape or glue label to the contract folder to ensure easy identification of aging paper files.

(b) Files are filed properly and in order within the physical restraints of the folder itself (DLA Form 699/ NSN 7530-00-990-8884.)

(c) Labels are legible and reflect the contents of the file. Include the volume number if more than one volume is used.

**(d) All non-paper filing is removed from paper file (including plastic document protection covers, computer discs, etc.)**

(e) All paper clips and metal fasteners are removed in support of environmental recycling program. Wire staples and metal prong fasteners (without compressors) may be used to maintain the integrity of the file for future reference.

(f) All unnecessary, and duplicated information should be removed from files.

(1) The corresponding pre-award files are paired up with the contract files at this time for concurrent storage, if files are not one in the same. If all contracts awarded under a solicitation are not retired at the same time, the corresponding pre-award file may be retained until the last contract file is either submitted for storage or is destroyed.

(2) Place all contract files in filing order when ready for retirement in the appropriate storage contain (box) required by WRNC:

(i) Standard-size record box for legal or letter size files/NSN8115-00-117-8349;

(ii) Magnetic tape box/NSN 8115-00-117-8347

(iii) Microfiche box/(special order-GSA)

(4) Establish an accession of contract files (i.e. 1 box or 100 boxes) ready for shipment to the WNRC.

(i) Obtain an Accession Number from DESC-CPC.

(ii) Mark boxes per instructions on container.

(iii) Fill out SF 135 blocks 3,5, (d)(e)\*(f)(h)(i), when files are ready for retirement to the WNRC.

(iv) Forward completed SF 135 to DESC-CPC for signature and further processing.

(v) Upon receipt of APPROVED SF 135, from WNRC enclose APPROVED copy in the first box of the accession.

(vi) Ship entire accession (i.e. box 1 of 10 through 10 of 10) by appropriate method of delivery. Coordinate with mailroom for parcel post or commercial courier pick-up.

(vii) DESC-CPC will maintain an Excel spreadsheet on a shared drive to track and monitor the stored files, from receipt, relocation and destruction. Should it

become necessary to recall a stored file from the WNRC, contact DESC-CPC for assistance.

**Note:** \*(f) Be sure to include contract number and contractor name, when applicable. The Final Payment Date is the closing date for the record.

**(1043) Retirement of completed contract files:** Upon successful completion of contract closeout efforts, completed contracts can be retired to the WNRC immediately. A CBU may choose to batch the closed contracts for quarterly shipment to the WNRC. The time line below summarizes the process.

<b>CONTRACT CLOSEOUT CHECK-LIST</b> <i>(Use a separate page to attach any comments.)</i>				1. CONTRACT NUMBER	
3. NAME OF CONTRACTOR				2. CONTRACT MODIFICATION NUMBERS <i>(If applicable)</i>	
4. DATE OF PHYSICAL COMPLETION (YYYYMMDD)		6. MILESTONES/CALENDAR MONTHS AFTER PHYSICAL COMPLETION <i>(FAR 4.804-1)</i>		7. FORECAST COMPLETION DATE <i>(YYYYMMDD)</i>	8. DATE ACTION COMPLETED <i>(YYYYMMDD)</i> <i>(NA if not applicable)</i>
5. ACTION ITEMS		Category 2	Category 3	Category 4	
a. DISPOSITION OF CLASSIFIED MATERIAL COMPLETED					
b. FINAL PATENT REPORT SUBMITTED <i>(Inventions Disclosures)</i> DD 882					
c. FINAL ROYALTY REPORT SUBMITTED					
d. FINAL PATENT REPORT CLEARED <i>(Inventions Disclosures)</i>					
e. FINAL ROYALTY REPORT CLEARED					
f. ISSUANCE OF REPORT OF CONTRACT COMPLETION					
g. NO OUTSTANDING VALUE ENGINEERING CHANGE PROPOSAL <i>(VECP)</i>					
h. PLANT CLEARANCE REPORT RECEIVED DD 1593					
i. PROPERTY CLEARANCE RECEIVED DD 1593					
j. SETTLEMENT OF ALL INTERIM OR DISALLOWED COSTS <i>(DCAA Form 1)</i>					
k. PRICE REVISION COMPLETED					
l. SETTLEMENT OF SUBCONTRACTS BY THE PRIME CONTRACTOR					
m. PRIOR YEAR OVERHEAD RATES COMPLETED					
n. CONTRACTOR'S CLOSING STATEMENT RECEIVED					
o. FINAL SUBCONTRACTING PLAN REPORT SUBMITTED					
p. TERMINATION DOCKET COMPLETED DD 1593					
q. CONTRACT AUDIT COMPLETED					
r. CONTRACTOR'S CLOSING STATEMENT COMPLETED					
s. FINAL VOUCHER SUBMITTED SF 1034					
t. FINAL PAID VOUCHER RECEIVED SF 1034					
u. FINAL REMOVAL OF EXCESS FUNDS RECOMMENDED					
v. ISSUANCE OF CONTRACT COMPLETION STATEMENT <i>(Or MILSCAP Format Identifier PK9)</i>		6	36	20	
w. OTHER REQUIREMENTS COMPLETED <i>(Specify)</i>					
9. RESPONSIBLE OFFICIAL					
a. TYPED NAME <i>(Last, First, Middle Initial)</i>				b. TITLE	
c. SIGNATURE <i>(Sign only upon completion of all actions)</i>				d. DATE SIGNED <i>(YYYYMMDD)</i>	